Opening Statement on Goldwater-Nichols Reform
Chairman John McCain
November 10, 2015

The Committee meets today to continue our series of hearings focused on defense reform. This morning's hearing is a critical inflection point in our efforts. Our prior hearings have sought to establish a broad context in which to consider the question of defense reform. We have evaluated global trends in threats and technology, their implications for national security, and what the U.S. military and the Department of Defense must do to succeed against these complex and uncertain challenges.

Today we begin to look more closely at our defense organization, and we do so by revisiting the Goldwater-Nichols Defense Reorganization Act of 1986. This landmark legislation, which marks its 30th anniversary next year, was the most consequential reform of the Department of Defense since its creation, and this Committee played a critical role at every step of the way, from initial study to first draft to final passage. Put simply, the Goldwater-Nichols reforms would never have happened without the leadership of the Senate Armed Services Committee.

And yet, to a large degree, the organization of the Department of Defense still reflects those major decisions and changes made back in 1986. On the whole, those reforms have served us well. But much has happened in the past 30 years. We need a defense organization that can meet our present and future challenges.

That is why we must ask: Has the time come to reconsider and potentially update Goldwater-Nichols? And if so, how and in what ways? We are fortunate to have a distinguished group of witnesses this morning to help us consider these questions:

- Dr. John Hamre, President and CEO of the Center for Strategic and International Studies, is one of our nation's finest defense thinkers and leaders, and it all started right here on this Committee, where he was a young staffer at the time of the Goldwater-Nichols reforms.
- Mr. James Locher, Distinguished Senior Fellow at the Joint Special Operations University, and also an old Committee hand. He was the lead staffer who helped to bring Goldwater-Nichols into being, and it is safe to say that no one contributed more to these defense reforms than him.
- And finally, Mr. Jim Thomas, Vice President and Director of Studies at the Center for Strategic and Budgetary Assessments, is an accomplished defense strategist and practitioner, who spent 13 years recently working inside the defense organization that Goldwater-Nichols created, including serving as the principal author of the 2006 Quadrennial Defense Review.

I thank all of our witnesses for their testimony today.

Goldwater-Nichols came about in response to a series of military failures—from the Vietnam War and the failed hostage rescue in Iran, to difficulties during the invasion of Grenada. After years of study, this Committee concluded that these failures were largely due to the inability and

resistance of the military services to function as a more unified force, especially on strategy and policy development, resource allocation, acquisition and personnel management, and the planning and conduct of military operations. In addition, the Committee was concerned that the Department of Defense had become excessively inefficient and wasteful in its management, and that civilian and military staffs had grown too large.

As a result, Goldwater-Nichols fundamentally redrew the relationships between the major actors in the Department. The Chairman of the Joint Chiefs of Staff was strengthened, provided a deputy, given responsibility over the Joint Staff, and assigned the role of 'principal military advisor to the President.' Responsibility for planning and conducting military operations was vested in empowered operational elements, what are now Combatant Commands, reporting directly to the Secretary of Defense. The service chiefs were focused more narrowly on their roles as force providers, not on overseeing day-to-day military operations. Major changes were made to strengthen joint duty requirements for military officers. And many of the Packard Commission's recommendations were adopted to reform the acquisition system, with an emphasis on strengthening the Office of the Secretary of Defense.

The record and performance of the U.S. military over the past 30 years has largely been one of unquestioned and unparalleled success. So the inevitable question that many will ask is, why change? There are several factors to consider.

First, as our recent hearings have made clear, our strategic environment today is radically different. The Cold War is over, and we face a complex array of threats—from ISIL and al-Qaeda, to North Korea and Iran, to Russia and China. What all of these threats have in common is that they are not confined to single regions of the world. They span multiple regions and domains of military activity. We must ask whether our current organization, with its regional and functional rigidity, is flexible and agile enough to address these cross-cutting national security missions.

A second factor is technology. The clear consensus in our recent hearings is that significant technological advancements are now transforming the nature and conduct of war. Our adversaries are working to harness these new technologies to their military benefit. If the United States cannot do the same, and do it better, we will lose our qualitative military edge, and with it, much of our security.

A scarcity of resources for defense is another reason to consider change. We must spend more on defense. Reform cannot take the place of sufficient funding. But the fact is, with budgets tight, as they are and seem likely to remain, the Department of Defense must make smarter and better use of its resources, to include its people.

That said, the primary goal of reform must be to improve effectiveness, not just efficiency. And there are serious questions about the performance of the Department of Defense. Our defense spending, in constant dollars, is nearly the same as it was 30 years ago, but today, we are getting 35 percent fewer combat brigades, 53 percent fewer ships, and 63 percent fewer combat air squadrons. More and more of our people and money are in overhead functions, not operating forces. The acquisition system takes too long, costs too much, and produces too little. And all too

often, we see instances where our senior leaders feel compelled to work around the system, not through it, in order to be successful—whether it is fielding critical and urgently-needed new weapons, establishing ad hoc joint task forces to fight wars, or formulating a new strategy when we were losing the war in Iraq.

As we consider these questions, Senator Reed and I have identified six enduring principles that any defense reform effort must sustain and strengthen. We will consider each of these principles in the hearings that will follow this one. They are:

1. Providing for a More Efficient Defense Management;
2. Strengthening the All-Volunteer Joint Force;
3. Enhancing Innovation and Accountability in Defense Acquisition;
4. Supporting the Warfighter of Today and Tomorrow;
5. Improving the Development of Policy, Strategy, and Plans; and
6. Increasing the Effectiveness of Military Operations.

Let me say again, in closing, that this oversight initiative is not a set of solutions in search of problems. We will neither jump to conclusions nor tilt at the symptoms of problems. We will follow Einstein's advice on how to approach hard tasks—spend 95 percent of the time defining the problem and 5 percent on solutions. We will look deeply for the incentives and root causes that drive behavior. And we will always, always be guided by that all-important principle: First, do no harm.

Finally, this must, and will, be a bipartisan endeavor. Defense reform is not a partisan issue, and we will keep it that way. We must seek to build a consensus about how to improve the organization and operation of the Department of Defense in ways that can, and will, be advanced by whomever wins next year's elections. That is in keeping with the best traditions of this Committee. That is how Goldwater-Nichols came about three decades ago. And that is how Senator Reed and I, and all of us here, will approach the challenge of defense reform today.